



Irish Life Weekly Investment Bulletin

The week that was – WEEK 28 2018 (ending 13/07/2018)

“Never mistake motion for action.” – Ernest Hemingway

Irish exports increase 5% in May as imports fall by 5% – Latest figures from the Central Statistics Office show seasonally adjusted goods exports increased by 5% in May compared to April - the EU making up 48% of total exports - whereas imports reduced by 5% leading to a rise of 19.8% in the trade surplus.

Irish annual inflation rate at 0.4% in June – The CSO reported that the annual inflation rate came in at 0.4% in June, the same rate as May and compared to -0.4% in April. The largest increases were in Housing/Water/Electricity/Gas/Other Fuels (+5.4%), Alcoholic Beverages/Tobacco (+2.8%) and Restaurants/Hotels (+2.1%).

Global stock market up 1.4% on the week – The MSCI AC World TR Index showed a 1.4% return from 6th July to 13th July, with the tech-heavy Nasdaq Index breaking a new record, as markets rose on hopes that U.S./China trade talks may resume soon. Volatility (the Vix) closed the week at 12.18, down from 13.37.

U.K. Brexit White Paper launched – PM Theresa May issued the long-awaited White Paper on the U.K.'s compromise Brexit plan. The plan proposes to keep the U.K. closely aligned with EU rules on trade in goods so as to help resolve the Irish border impasse. Critics (including Trump) say the plan amounts to a "sell-out".

U.S. inflation in June hits 6-year high – The Labor Department reported that headline annual inflation for June moved up to 2.9% (2.3% for core inflation which excludes food and energy), the highest rate since 2012. Gasoline prices jumped 24.3% from June 2017, housing costs were up 3.4% and food prices increased 1.4%.

Chinese trade surplus with the U.S. hits record high in June – The General Administration of Customs reported that June exports rose 11.3% year-on-year as China's trade surplus with the U.S. hit a record, which could worsen the trade dispute. There were reports that exporters were rushing shipments before 1st July.

The Story of the week: 'BlackFly' is a flying car, which has just been unveiled in California, that has a travel range of 40km, with a speed of 100 km/h and it charges in under 30 minutes. It will not require a pilot's licence to operate and its manufacturers - aviation firm Opener Inc. (partially funded by Google co-founder Larry Page) - say it will eventually cost the same as a typical sports-utility car, but early models will be more expensive. The vehicle carries one person in a small cockpit and has an optional parachute as well as an automatic return-to-home button.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD (to 13/07)
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	3.3
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	1.2
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	2.0
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	0.6
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	5.9
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	13.4
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-0.7
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	-3.4
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	-0.3
Sovereign 10yr Bond Yields (%)	2013	2014	2015	2016	2017	2018 YTD
U.S.	3.0	2.2	2.2	2.4	2.4	2.8
German	1.9	0.5	0.6	0.2	0.4	0.3
UK	3.0	1.9	1.9	1.2	1.2	1.3
Japan	0.7	0.3	0.2	0.0	0.0	0.0
Ireland	3.4	1.3	1.1	0.7	0.7	0.8
Italy	4.1	2.1	1.6	1.8	2.0	2.5
Greece	8.2	9.6	7.9	7.1	4.1	3.8
Portugal	6.1	2.7	2.5	3.8	1.9	1.7
Spain	4.1	1.6	1.7	1.4	1.6	1.2
Central Bank Rates (%)	2013	2014	2015	2016	2017	2018 YTD
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	2.0
Foreign Exchange Rates	2013	2014	2015	2016	2017	2018 YTD
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.17
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.88
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.32
IPD All Property Return % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD
Ireland	12.3	36.1	25.1	12.6	8.1%	2.8% (To end of Q1)
U.K.	10.7	17.8	13.1	3.6	10.3%	1.9% (To end of Q1)
U.S.	11.4	11.2	12.1	7.8	7.1%	2.2% (To end of Q1)

*Past performance is not a reliable guide to future performance and may fall as well as rise.